

Don't forget to add the *Internet* to your list

The Internet is becoming a prime source of lists. As more and more business is being done on the net, companies that gather information on the net will make that data available. And people who specifically visit a site to interact with the host in some way are motivated. If their interaction is that of a customer or client actually purchasing merchandise or services via the net, that name is as valuable as that of a customer who walks into a store.

Finally, the Internet may be one of the most fruitful areas to compile lists yourself. How often does a

store clerk or fulfillment operator fail to get customer data because the customer is in a rush? Internet inquirers may be far more apt to fill out a survey or questionnaire because it is less intrusive and less time consuming. If that is the case,

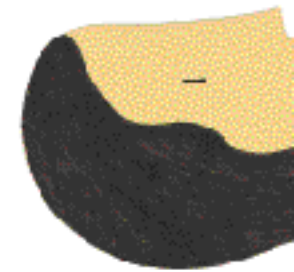
Internet lists may prove to be more complete and more valuable than any others.

In retailing, the credo is "location, location, location." In Direct Mail, it's "the list, the list, the list."

We may be witnessing an entirely new development in Direct Marketing. Will Web commerce mean an all-new harvesting of customers, clients and prospects who will no longer pursue traditional avenues of shopping? Do we now devote resources to building electronic traffic?

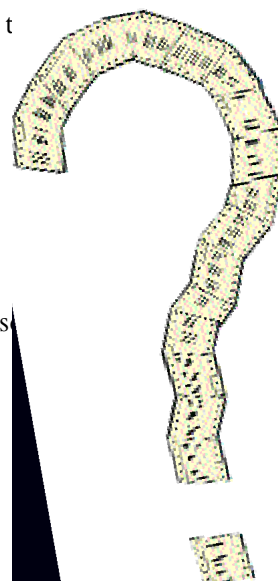
—DIRECT MAIL BY THE NUMBERS

Newsletter lists remained the most costly in 1997, followed by business magazines/controlled circulation.



12 *vital* questions to ask your list broker

1. Who is on the list?
2. Is it a list of everyone who responded, or of actual purchasers?
3. How recent is the list? When was the list last updated?
4. If it is a list of actual purchasers, how recently were the purchases made?
5. Can you get a “hot name” select list of those who have made purchases within the last 90 days?
6. How often has this list been rented? (You don’t want to send mail to people who get it by the ton. Besides, lists go stale, as the 20% moving rate attests.)
7. Has the list been tested? (More on testing later.)
8. After testing, did the renter continue the rollout?
(It is possible the list did not bring much of a response.)
9. Did the mailer rent the list for a follow-up mailing?
(Usually a very good sign.)
10. Where did the list come from?
11. If it came from a company that compiled it, ask to see a sample of their mailing. This may be the most valuable way to see the relevance of the list for your purposes.
12. Is the list clean? Has it been through the U.S. Postal Service’s National Change of Address (NCOA) file? How recently?



would be at the top of his shopping list. You may be mailing to people who recently bought new cars, telling them about your wonderful new car-wax product. There is no guarantee that the recipient has any interest in waxing a new car himself. But the fact remains that such a list is a stronger selling tool than a random mailing.

You should be able to compile a much greater customer profile as names move from a rented list into your database. In the meantime, ask about significant factors in the list.

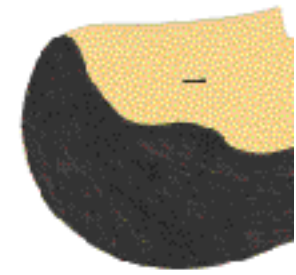
Important note on *updating* lists

Lists should be kept up-to-date by running the names and addresses through the National Change of Address (NCOA) file. Of all of the various list-hygiene methods, this is the most crucial, because it will eliminate most of the undeliverable mail from the list. Obviously, the more recent the NCOA check, the more accurate the list. Remember, undelivered mail can be a huge waste of money and time for everyone. Ask the list broker for a copy of the list specifications and proof that the NCOA check is reasonably current.



Did you know that we are an incredibly mobile society? About **20%** of Americans change addresses every year.

20%



In addition, brokers can help you by supplying lists that are compiled by other companies.

Ordinarily, lists are rented from a list broker for a specific period of time (usually one year), with a limited number of uses. The list can be as broad as a phone book or as narrow as a listing of couples 25–39, who both work in white-collar jobs, drive a six-year-old car that needed a new fuel pump last year, have two children who go to parochial schools, coach soccer and live on the east side of the street.

Whatever your list needs, brokers are very good at helping you find the best list for your purposes. For example, if your offer is for a free widget, a broker should be able to supply you with a list that indicates who bought similar or related items. Depending on your needs—to reach the widest possible audience, or to reach a narrowly targeted one—the broker should be able to supply you with lists that significantly impact the level of response. Usually, the more highly targeted the list, the more it costs per thousand names.

Remember: the right list is immensely valuable; the wrong list may be worthless.

Begin by giving your mail piece to the broker and discussing the goals, strategies and budget you have in mind. And for best results, be sure to question your broker extensively.

What list brokers *cannot* do

One significant item that brokers cannot supply is a purchasing history. As names move from a rented list to your in-house database, the profile of the customer will emerge and become more complete, including the dates of transactions, the frequency of purchases and the amounts spent, as well as many other demographic elements you can add. The information on recency, frequency and monetary history (RFM) you received in your list, can now be enhanced by your own experiences with this customer.

Although the RFM of a list is a key factor, the knowledge that a prospect bought an item that is similar to yours does not always mean that what you are selling

We may admire the salesman who can sell telephone service to a monk who's taken a vow of silence, or refrigerators to Eskimos. But the goal of Direct Mail is to target the audience as precisely as possible based on the likelihood of a positive response. That means matching your product or service to the needs, interests, buying patterns and financial abilities of your current and prospective customers. And for that, you need the right list.

The list:

Your key to *success*

The decisions you make regarding the criteria for selecting your list could ultimately determine the overall effectiveness of an entire marketing program. That sounds dramatic, but it is true. After all, the list you use determines who will receive your offer, sample or message, and in a very real sense can be viewed as the market itself. Is it any wonder that experts state that when

assessing the relative importance of the elements of a Direct Mail campaign (the offer, the list and the creative), the quality of the list represents at least 40% of the success?

List brokers:

What they *can* do

As you know, list brokers are in the business of selling (or more commonly, renting) lists of names. In some cases, the broker has compiled the list, but usually they are acting as a seller's agent. Lists can also be compiled from magazine subscription lists, associations and organizations, and public, easily accessible records. The telephone book is, after all, a list, although not a very narrow one. Want to know who just got a new car? Have the broker get the motor vehicle records. Want to know which families in your region just had babies? Or just bought a new home? Or just opened a new business? It's a matter of public record.

According to the Direct Marketing Association, about half **(47%)** of the companies in the U.S. make their lists of customers and subscribers available, thereby creating a significant source of revenue.

47%